

SECRET

DPD-1574-59
Copy 1 of 5

10 March 1959

MEMORANDUM FOR : Chief, Operations Branch, DPD-DD/P

SUBJECT : Requests for Program Approval

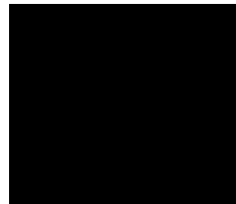
1. Reference is made to Contract No. PO-660 with Eastman Kodak Company for the operation and maintenance of the film processing plant at Rochester, New York.

25X1A 2. Based on estimated work requirements and costs for the current fiscal year an amount of [REDACTED] chargeable to Fiscal Year 1959 Project CHALICE funds was budgeted for and allocated to the contract to cover work and services during the period 1 July 1958 to 30 June 1959.

25X1A 3. By letter dated 4 February 1959 (DPD-1078-59), attached, the contractor requests that an additional amount of [REDACTED] be allocated to the contract by reason of the following items which are explained in the contractor's letter:

Approved extra work to date
Reflection of 5% wage increase
Pro rata cost of Project C
Contingencies for unknowns

Total estimated increase



25X1A

4. In view of the procurement program approval procedures set forth in Administrative Memorandum No. 116 it will be necessary that a Program Approval be prepared and submitted to the DD/P for appropriate approvals in order that the necessary funds may be made available and Contract PO-660 may be amended to include the additional allocation of [REDACTED]. Since the cost overrun is due not only to plant operations, but to Project "C" work and the supplying of equipment and parts, as well, it is suggested that preparation of the Program Approval be coordinated with the Chief, R&D Branch and the Chief, Materiel Branch.

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25X1A 5. In connection with the finding for the proposed contract amendment, it will be noted that [REDACTED] is chargeable to Project "C" work and the balance of [REDACTED] to Project CHALICE.

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6. With reference to the availability of funds, it will also be noted that the contractor states on Page 3 of his letter that [REDACTED] set aside for the film supply contract, Contract No. FP-1054, will not be required for that contract. This amount was programmed for Contract No. FP-1054 from F. Y. 1959 CHALICE funds but, pending development of requirements, was not obligated to the contract.

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25X1A

[REDACTED]
Contracting Officer

25X1A

OPD-DD/P [REDACTED]:arp
Distr.

- Orig. - Operations
- 2. - PO-660 AAI
- 3. - Finance
- 4. - Materiel
- 5. - Chrono